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**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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November 23, 2010

TO: Low Income Housing Tax Credit Property Owners and Managers

FROM: The California Tax Credit Allocation (CTCAC) Compliance Section

RE: HUD Tenant Demographic Data (2010-2011)

Dear Housing Credit Participant:

The purpose of this memo is to notify you of an upcoming policy change resulting from the passage of federal legislation known as the Housing and Economic Recovery Act of 2008 (HR 3221 or HERA Legislation). The HERA Legislation requires that all LIHTC and HUD programs gather tenant demographic data and economic information on tenants residing in Low-Income Housing Tax Credits (LIHTC) financed projects on an annual basis. Each State Agency administering tax credits under IRS Section 42 is required to provide the Secretary of Housing and Urban Development (HUD), information concerning the race, ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments of households residing in each project receiving such credits through the agency. This statute also directed HUD to define the standards for this information collection, which HUD has recently completed. This information is required to be reported annually through the compliance and extended use periods.

On June 18, 2010, HUD issued a "HUD Tenant Data Collection Form" and definitions outlining how the information is to be collected and submitted to HUD annually. CTCAC is notifying Tax Credit Owners that in 2011 and going forward, you will be required to utilize one of the two attached forms with instructions based on specific circumstances. These two forms are:

1. Tenant Income Certification (TIC) with Supplemental Information Form. This form is to be used for all new move-in's as of January 1, 2011. This form replaces the previous and latest version of the Tenant Income Certification (TIC) form that was issued by CTCAC, in March 2009.
2. Supplemental Information Form for Existing Households. This form is to be used for all existing households at all tax credit projects with tenants living in tax credit units on or before December 31, 2010 (*including projects in the extended use period*). The data

should be captured by the owner/management agent at the annual recertification date for the household.

**Beginning on January 1, 2011**, CTCAC will require all tax credit project owners to use the new Tenant Income Certification (TIC) with Supplemental Information Form at move-in or the Supplemental Information Form for Existing Households, to collect and transmit household demographic and economic information electronically to CTCAC. This procedure will utilize existing management software (such as Yardi, Real Page, etc.) and/or an Excel spreadsheet created by CTCAC to capture all fields noted in the HUD Tenant Data Collection form. This spreadsheet and the specific information required to be transmitted will be posted by CTCAC in early 2011.

Please download both the Tenant Income Certification (TIC) with Supplemental Information Form and the Supplemental Information Form for Existing Households along with instructions (attachment) from our website at: [www.treasurer.ca.gov/ctcac/compliance.asp](http://www.treasurer.ca.gov/ctcac/compliance.asp).

Please review the Q&A attached to this memo for guidance on general questions. If you have specific questions for completing the form or capturing the required information electronically, please contact Ammer Singh, Compliance Program Manager or Elizabeth Gutierrez, Associate Program Analyst at (916) 654-6340.

## **Tenant Collection Data Q & A**

***Q: There are two different forms on the website. Which one do I use?***

**A:** The Tenant Income Certification (TIC) with Supplemental Information Form (Part IX) is for use with all new move-in households on or after January 1, 2011. This form will replace the old TIC form for all move-ins and recertifications going forward. The Supplemental Information Form for Existing Households is for all households that are currently occupying or will occupy a tax credit unit on or before December 31, 2010.

***Q: How often do the new forms need to be completed?***

**A:** Since the new TIC with Supplemental Information Form for all new move-ins after January 1, 2011 replaces the old TIC, it should be completed like any other TIC form at initial move-in and recertification. However, Part IX the Supplemental Information Form only needs to be completed at the initial move-in and not annually at recertification. The Supplemental Information Form for Existing Households only needs to be completed once.

***Q: The number format for the date (YYYY-MM-DD) is different than the way we normally write the date (MM-DD-YYYY). Does it matter which way it is filled out on the new TIC or the Supplemental Information Form?***

**A:** Yes. The information will need to be keyed in the new format (YYYY-MM-DD) to be compatible with the formatting in the CTCAC Excel spreadsheet (*coming in early 2011*) that will be transmitted to CTCAC and HUD. This formatting style will need to be used on both the new TIC and the Supplemental Information Form. For all other required CTCAC forms, the conventional date format will be acceptable.

***Q: You have said there is a CTCAC Excel spreadsheet that will be coming in 2011. What is it for and what will we have to do with it? Why do we need to complete the new TIC and Supplemental Information form now and going forward, if there is a different form that will need to be completed later?***

**A:** The Housing and Economic Recovery Act of 2008 (HERA) contained legislation that requires certain demographic data on households and properties be submitted on an annual basis. Congress determined HUD to be the agency to collect this data from the state agencies. In California, the state agency is the California Tax Credit Allocation Committee (CTCAC). In order for CTCAC to submit the information to HUD in the requested and required format, all the data must be keyed into a spreadsheet. The spreadsheet is currently under development. It will be an Excel format and will be compatible with most of the software programs that many management companies are currently using (such as Yardi, Real Page, etc). The forms that are being published – the new TIC and the Supplemental Information Form, are designed to gather the information that will need to be populated into the spreadsheet.

***Q: The new TIC requires the last four digits of the tenant's Social Security number. Since the Section 42 Low Income Housing Tax Credit Program does not require citizenship or legal status in this country to occupy a tax credit unit, what do I put in that column if my applicant is stating that they do not have a SSN?***

**A:** This is an issue that has been discussed with HUD. In the case of tenants/applicants that do not have a SSN you should use the month and year of their birthday in the following format (MMYY). For example, if a tenant's birthday is January 23, 1965 you would use 0165 as the number to be entered in the column that requires the last 4 digits of the SSN.

***Q: There is a little box on the new TIC form that says Vacant above the area for the Household Composition. What is it there for?***

**A:** The box is used as a placeholder for any units that were occupied during the year, but become vacant on December 31<sup>st</sup> of the year CTCAC is requiring the tenant collection data.

***Q: Why are there lines for Effective Date of Move-in and Household Size after Section IV, Part L on the new TIC form, when there is a box at the top of the form that shows the Effective Move-in Date, and you can easily see in the Household Composition area how many tenants are occupying the unit? Isn't the information redundant?***

**A:** The information on those two lines are duplicates of information that can be found elsewhere on the form. However, they are necessary for inputting specific fields into the Excel spreadsheet that will be submitted to CTCAC.

***Q: A tenant just moved into my property in November 2010. What do I do if they decide to add or subtract household members in March of 2011? Which of the two forms would I use?***

**A:** Since the household moved in before 12/31/2010, you would capture the information on the Supplemental Information Form for Existing Households. There is no requirement to include or exclude household members that moved in or out after the date you completed the Supplemental Information Form for the existing household members.

***Q: What do I do with all of this information?***

**A:** All of the TIC forms and Supplemental Information forms should be put into the tenant files for each of the households. CTCAC (following the mandate from HUD) will require annual submissions of the household information you captured to populate the new CTCAC Excel spreadsheet. The date of CTCAC Excel spreadsheet submission for 2011 has not been determined.

***Q: Who should fill out the new TIC and the Supplemental Information Form for Existing Households?***

**A:** Like the existing TIC form, the new forms should be completed by the owner or management agent. The procedure for requiring all adult household members to sign the Income and Asset section of the TIC remains unchanged. Any household members declining to provide the Race/Ethnicity/Disability information on the new TIC or the Supplemental Information Form will need to initial at the bottom of the form indicating they are refusing to provide the information.

***Q: What if one or more of my applicants/tenants refuse to provide the race and ethnicity information that the demographic portion of the new TIC and the Supplemental Information Form require? Can they choose not to answer?***

**A:** In the Household Composition area, all occupants of the household must be listed, but you can leave the columns for Race and Ethnicity blank if there is a refusal to provide the information. At the bottom of the form is a box that must be checked if one or more household members refuse to provide the race and ethnicity information required. All members that do not wish to provide the information must initial that they are declining.

***Q: You just stated that all members that do not wish to provide the information must initial that they are declining to sign the demographic portion of the new TIC or the Supplemental Information Form (if applicable). Does that mean that children will need to sign too?***

**A:** Children must be listed on the demographic portion of the new TIC and the Supplemental Information Form. As such, they are also required to initial if race and ethnicity information is being declined. However, since minor children are unable to legally sign, the parents or guardians should initial on behalf of the minor children.

***Q: Who should we contact at CTCAC if we still have questions on how to complete these new CTCAC required forms?***

**A:** Please contact Elizabeth Gutierrez, Associate Program Analyst or Ammer Singh, Compliance Program Manager at (916) 654-6340.